

28 October 2003

Bonneville Power Administration  
Transmission Marketing and Sales

Re: Available Transfer Capability (“ATC”) Methodology

To Whom It May Concern:

Thank you for the opportunity to comment on the Transmission Business Line’s recently developed Available Transfer Capability (“ATC”) methodology. Powerex has actively participated in this process and recognizes the complexity involved in mapping, if you will, contract path rights. Nonetheless, we believe that this effort is long overdue and that the region and its transmission customers will benefit from the further development and eventual implementation of a flow-based method for determining ATC on BPA’s Network Segment.

Below, we offer specific comments that track the Pre-decisional Preliminary Work Product presented at the most recent “Contract Lock” meeting. Our comments fall into four categories: Assumptions, Implementation, Appendices and Editorial.

A general suggestion that Powerex would like to see adopted is all new transmission requests on the BPA TBL system be submitted using the NWOASIS. This would standardize how requests on the same paths are made, automate the queue numbering and time stamping of requests, increase the transparency of BPA's long term transmission queue and reduce the likelihood of errors in calculating the Contract Accounting ATC. Ideally, pre-existing transmission rights would also be entered into OASIS so that all rights on particular paths would be visible. BPA’s current website for long term requests is very hard to search and as a result it is next to impossible for customers to assess current contractual rights on specific paths.

If you have any questions regarding these comments, please contact Gordon Dobson-Mack at 604.891.6004.

Sincerely yours,

Gordon Dobson-Mack

## Assumptions

### o Planning ATC

The determination of the Planning ATC is driven by a number of assumptions such as loop flow, generation patterns, load patterns, transmission capacity and maintenance assumptions. There appears to be an opportunity to gain additional support for this proposed method by coordinating with other regional transmission providers and systems that are contiguous to TBL's system, such as British Columbia, and parallel to TBL's systems, such as PacifiCorp, Puget Sound Energy, etc. Moreover, we believe that such a coordinated effort may help to identify additional ATC on the BPA system and other systems in the Pacific Northwest. Therefore, we strongly encourage TBL to further engage in a discussion that involves at least those transmission providers that are located in the footprint of RTO West.

The planning base case assumptions should be further refined to ensure they are appropriate. For instance, assuming S-N DSB return on the Northern Intertie in winter is an appropriate conservative assumption if trying to assess S-N ATC's on flow gates on the I5 corridor. However, it seems like a questionable assumption (given that you don't know when the DSB energy will be scheduled) when trying to assess N-S ATCs for these same I5 flow gates.

### o Contract Accounting Method ATC

One of the biggest drivers behind the calculation of Contract Accounting ATC is the load growth that is assumed for BPA's NT customers. As we understand, some of these customers project their own loads while BPA projects others and in most cases, BPA also performs a review to assess the adequacy of these projections. We believe that these load forecasts are critically important to the overall ATC methodology and in turn, the availability of ATC. Therefore, we encourage BPA to continue in the role of reviewer of load forecasts to help assure that there is a balance achieved between setting adequate capacity aside for serving these customers' loads and making as much ATC available for incremental uses.

### o The "delta"

The methodology includes a "delta" or quantitative difference between the Contract Accounting and the Planning ATC calculations. This assumption is used to reconcile the ATC calculations between the Planning and the Contract Accounting methods and relies upon approximate values for four seasons and that are applied to various monthly values. We believe that this methodology may need to be further refined in order to achieve greater accuracy and in turn, a better estimation of ATC.

## Implementation

### o Comment periods

It appears that TBL will notice nearly all modifications to this proposal, i.e., changes in the described methodology, load forecast determinations, and federal hydro dispatch. Given the newness of this methodology, and the significant implementation steps that are yet to be developed, we think this level of notification is appropriate.

- o Long-term and other uses

We have some real concerns about how this method, which is intended to determine long-term ATC, will be reconciled and coordinated with already sold short-term firm ATC as well as other usage, e.g., Partial Service. In addition, although this method is intended to be used to better determine constraints on TBL's Network Segment, there has been very little indication of how TBL will manage constraints on a real-time basis. For example, while the topic has been proposed a number of times during the Contract Lock discussions, there has been little discussion about how redispatch decisions and curtailment decisions will be made. By way of example, it is not clear how TBL will assess and order curtailment on Network Segment flowgates. We recommend that these topics be fully vetted during the Implementation phase of this effort.

## Appendices

- o Appendix 1 – TBL Network Flowgate Map and Description

Neither this appendix nor the definition for "Flowgate" includes what constitutes a "constraint" or a "constrained portion of the transmission grid". We suggest that the criteria that TBL uses for making this determination be included in the next draft of this methodology.

- o Appendix 2 – Contract Accounting Methodology

During the last Contract Lock meeting, TBL indicated that it would redraft this Appendix to better reflect the mapping of the impact of contracts across flowgates and clarify the description of External Interconnections and Interties. This Appendix also describes how TBL plans to handle multiple POR/POD contracts which highlights the complication that arises with "mapping" such. While we recognize that BPA is obligated to offer Network service that is effectively multiple POR/POD transactions, we suggest that TBL may want to consider limiting its PTP service to single pairs of PORs and PODs.

- o Appendix 3 – Available Transfer Capability Methodology

As we understand, TBL plans to modify this appendix to reflect the role that Operational Transfer Capability plays in determining ATC. We recommend that item 2. be more broadly described to reflect that Total Transfer Capability ("TTC") will be revised to reflect upgrades and system expansion on an on-going basis. Also, we recommend that item 4. be redrafted and made more specific regarding the circumstances that would cause TBL's to restate TTC.

- o Appendix 4 – Transmission Reliability Margin Adjustment Methodology and Dead-band

There has been a significant amount of discussion on what is the appropriate adjustment for a Transmission Reliability Margin ("TRM"). We believe that TBL capably explained the basis for its 20% assumption (when the Planning ATC exceeds the Contract Accounting ATC, assume a TRM that equals 20% of the difference between the two values) and as a result, it appears to be an appropriate starting point. We recognize that this assumption, along with many others necessary to the development of this methodology may need to be adjusted during the implementation process. However, we

also recognize that a balance will need to be achieved between overly optimistic and overly conservative assumptions.

The proposed dead-band may be problematic for the exact reason that was discussed at the last Contract Lock meeting: large requests, e.g., a single, 500 MW request that is assumed to flow over a flowgate with a 10% PUF will be rejected due to an assumed 50 MW impact, however, five separate requests for 100 MW each will be accepted, even though the impact will also be 50 MW. As a result, we believe that it is premature to make a decision regarding what is an appropriate “dead-band” and we recommend that this topic be further discussed during the Implementation phase, as the proposal is arguably inconsistent with TBL’s tariff.

o Appendix 5 – Path Utilization Factors

No comment.

o Appendix 6 – Power Flow Base Case

See above comments on load assumptions and coordination with other transmission providers in the region.

o Appendix 7 – Final ATC Results

No comments.

Textual Edits

Page 2: The relevance of footnote 1 is not clear.

The definitions that are found in section E. should be industry standard definitions where possible and if applicable, the citation for those definitions should be noted.

Appendix 4, section 3, the last sentence is not clear.